

SOCIALIST STUDIES

NO. 20

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OFFICIAL JOURNAL OF

**THE SOCIALIST PARTY
OF GREAT BRITAIN**

**Communications to: General Secretary, 71 Ashbourne Court
Woodside Park Road, London N12 8SB**

THE SOCIALIST PARTY OF GREAT BRITAIN

OBJECT

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

DECLARATION OF PRINCIPLES

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce, and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

ALL ENQUIRIES AND APPLICATIONS FOR MEMBERSHIP TO—
The Socialist Party of Great Britain,
71 Ashbourne Court, Woodside Park Road, London N12 8SB

NEW LABOUR ? NO DEAL

After many years in the political wilderness, it seems that (from the perspective of July 1996) that the Labour Party have a good chance of forming the government at the next general election. New Labour, its current name, and Tony Blair are pulling out all stops to gain power -- power almost at any price. That the Labour Party image has changed is an established fact. The old Labour Party had some sort of vision, even if it was misguided and muddled. With their plans of nationalisation (mistakenly called 'socialism') they thought that with a different emphasis on the structure of ownership, they could usher in a new society, where the working class could play a bigger role in the running of it, feel part of it, and indeed get some reward at the end of the day. Successive Labour governments failed to deliver the vision, as their theories were basically flawed.

The leader no longer talks of a vision on behalf of the workers, but a mission on behalf of the Nation. In a speech in May 1996 to the Labour Party Welsh Conference, he described his party thus:

"New Labour, a party of One Nation radicals that aspires to the creation of a Britain that is cohesive and united, in which the rights we enjoy are matched by the responsibilities we share".

This is meaningless jargon when we relate it to the class system under which we live. Mr. Blair wishes to set himself up as Chairman of "Great Britain p.l.c.", but unlike the usual role of a chairman, who is beholden to his shareholders, Blair is saying that his party can run the "company" in the interests of every one, the

shareholders on the one side, and the working class and their dependants on the other. This is quite a hopeless task.

The "company" Great Britain, is still a major power, and the basis of its social system is capitalism. A society of rich and poor, where a small minority own the means of producing and distributing wealth, whilst the overwhelming majority of people are members of the working class (including the so-called self employed). The working class is dependant upon the sale of its labour power to the employing class and the workers' standard of living is decided by the amount of their wages or salaries. The system operates in a way that seems natural to most people. It produces commodities or services for sale in the market in order to realise a profit. If there is no profit, there is no production and workers are laid off or made unemployed, a position some millions of workers find themselves from time to time. Other problems such as poverty, housing, insecurity and an ever growing elderly population, all result in a welfare system that is becoming an increasing burden for the capitalist class. This is a daunting task for anyone to grapple with, but Blair and New Labour say they can do it and do it better than the Tories

It appears that the issues that will decide the outcome of the next election will be unemployment, education, social welfare and Britain's relationship with the rest of the European Community

Mr. Blair makes great play on the obvious split in the Tory party over the European question, but he never mentions the differences in his own party. A number of Labour MP's have formed a new group "A People's Europe", (more meaningless jargon), which is to campaign against membership of a single European currency.

They claim in a leaflet **Europe isn't working** that a single currency would increase unemployment, but they fail to explain why unemployment increased so dramatically in Europe to around 20 million in the 3-4 years up to 1996, and this without a single currency. The existence of a single currency, or a number of different ones, issued by respective governments, has little to do with unemployment. Profit is the deciding factor; the capitalists will continue to employ workers if they continue to make profits.

The Tories point out that Blair will be a "soft touch" in Europe and his welcome to Brussels is assured. The Swedish prime minister, Goran Persson at the recent 15EU Conference in Turin said "*All we are waiting for is for Tony Blair to come to power*". Major accuses Blair, that by acceptance of the Social Chapter, and generally easing up on the power of the British veto, he will widely undermine the competitiveness of British industry, with its lower production costs and welfare payments, as compared with Germany, France etc. For example in Germany 47 per cent of Gross Domestic Product goes on various social policies, a figure that is being attacked by Chancellor Kohl as he tries to cut back on sick pay and introduce an alteration to the law protecting employees from the sack. Kohl wishes to slash public spending by over £21 billion so that Germany can qualify for the European single currency, a move that is being hotly contested by the German trade unions.

The whole question of social welfare is up for discussion by both the main parties. The general attack of the Labour Party is that the Tories are undermining the whole concept of the Beveridge Report which talked of assistance from the cradle to the grave. One aspect which aggravates the situation is that the elderly

members of society, are not going to the grave as quickly as they did, thanks to the development of medical care. That aside, the welfare budget is becoming an ever increasing burden on the capitalist class, and something has to be done. We need not take too seriously the headline in **The Guardian** of 8th May 1996 "*The End of The Welfare State*", but obviously changes are to take place. Mr. Brown (Labour's Shadow Chancellor) has said that he wishes to abolish child allowance for those of 16 to 18 years, a saving of some £700 million. This money, says Brown, would go into schemes for training the young people, thus helping to solve the unemployment problem. For the workers, Brown talks of a 'learn as you earn' plan, and companies that run good training packages, will be rewarded with contracts etc. The difficulty for the worker is which scheme to go for giving the best chance of a job at the end of the training. There is of course no guarantee of a job and neither Blair nor anyone else can give one. Capitalism can only guarantee insecurity as far as the worker is concerned.

Mr. Smith (Labour's shadow spokesman on social security) has astounded the so called "left" wingers in the party by saying that a successful policy would see a drop in the amount of money spent on social welfare. He reckons he can achieve this by getting people back to work -- hardly an original idea. Labour's record on this hardly inspires confidence. From 1929 to 1979 Labour was in power four times. In each period, unemployment was higher when they left office than when they entered office. There is little that any government can do to cut unemployment if capitalism enters into one of its periodic depressions.

If elected, there are many other issues that a Labour government will have to face. Recently an artificial facade of unity has been

erected between the Labour Party and the trade unions. No-one wishes to rock the boat in the run up to the election, but eventually the unions will be looking for handouts in recognition of their support. The question of the minimum wage has yet to be resolved with a tussle over what the amount should be. The SPGB is in favour of the "*abolition of the wages system*" and is certainly not in favour of a minimum wage. It can lead to a loss of jobs particularly amongst those it is supposed to help, and it can lead to bitterness within the unions as skilled workers claim for higher wages in order to keep the differentials.

Regulatory powers now popular with Labour can lead, if used in a draconian way, to the loss of jobs and union hostility, as in the present dispute in the gas industry, where according to British Gas, 10,000 jobs are on the line due to the intervention of the regulator.

Any party, including 'New Labour', which elects to try to run capitalism in the interests of everyone including the workers, will eventually fail and give way to another party who also say that they can do it. What short memories workers have! Those workers who put their faith in New Labour will be disillusioned in time. Far better that their energy and enthusiasm is directed in the advocacy of Socialism, where human needs will replace profit as the impetus for production.

Why not join us in this most worthwhile cause?

CAPITALISM OR SOCIALISM

Although 'free market' ideas and policies are associated with the Tories, and some state intervention in the workings of the capitalist economy with Labour, workers should reject the claim that these two capitalist political parties represent alternative options. A vote for Labour, Tory, SDP, etc. is a vote for capitalism. All these parties are in the business of trying to run capitalism in the only possible way -- i.e. in the interests of the capitalist class. Despite superficial differences in policy these parties support capitalism completely. They support private property ownership, commodity production and the wages system.

Only the Socialist Party of Great Britain has a Socialist political programme and stands for Socialism. That is the common ownership and democratic control of the means of existence by all of society. Socialism can only be established by the united conscious and political effort of a majority of the working class. We argue that it is only within the framework of Socialism that the social problems thrown up by capitalism can be tackled and resolved, and that production can take place solely to meet human needs. The Socialist case is clear and simple. After capitalism's private property system has been abolished and Socialism established, social labour can organise the necessary resources, production, communication and distribution system to supply goods and services to those who need them. There will be no need for markets, (including the labour market), buying or selling, nor will there be any need for nation states or political leaders. A

Socialist majority having voted for Socialism, will have the desire, skill, enthusiasm, energy and techniques to make it work. After all Socialism is all about meeting social needs.

This is not the case with capitalism. All the capitalist political parties are used by the employing class and their agents to further their sectional and their class interests. Although mistakenly supported by the workers at election time, these parties cannot represent working class interests unless these are also the capitalist class' interests. (For example some aspects of public health and sanitation.)

From a Socialist perspective most political discussion in the media and elsewhere about the alleged merits or otherwise of various political parties is irrelevant and a smokescreen behind which the capitalists can haggle for advantage. It is not just the failed policies of governments which cause workers to have problems, nor one particular party which is at fault for not solving them. It is just that governments do not exist in order to solve the social problems like unemployment or poverty, facing the working class. Governments can only act as the executive committee of the ruling class, to cite Marx.

It is the economic system, capitalism, based on private property, class relations and class conflict, which fails the workers. Not because of some moral failing, but because it is based on class monopoly of the means of social existence. Capitalism's sole aim is profit making and the accumulation of capital; not the meeting of human needs. The main concern of the employing class is whether or not they can sell their commodities at a profit, and if so how much labour power need be exploited and what quality.

Any talk about the "socialist" aims of the Labour Party or their "socialist" values is completely spurious. Take for example Professor Raymond Plant's Fabian pamphlet **Equality, Market and the State** (1984). Plant sets out various arguments against the free market ideas of F. A. Hayek and Milton Friedman. Of course these ideas are absurd, they bear no relation to capitalism as it exists in reality. The economic writings of Hayek and Friedman are superficial and unable to explain social phenomena like unemployment, depressions and class conflict.

But then Plant himself also presents an account of the social world which bears no resemblance to what actually happens in class society. He claims that Labour stands for Socialism. He claims the Labour Party stands for "*equality... in its legal, political, social and economic aspects*" and that these represent "*the distinctive value*" of the Labour Party. He argues that it is "*equality which for the Socialist is the instrument for extending individual freedom and securing a greater sense of fraternity*".

Yet despite the rhetoric, the fact remains that the Labour Party makes its promises of equitable social distribution in the context of capitalist productive relations which it both supports and defends in and out of office. This is a contradiction which neither the Labour Party nor anyone else will ever square.

Labour Party apologists like Plant, argue for equitable social distribution, while Blair sets out a political agenda defending the interests of the employing class; an agenda which by definition, will exclude the majority of society. There will still be social needs which are unfulfilled. The Labour Party has always been and always will be a capitalist political party. It can only serve the

needs of British capitalism. It will always be dictated to by the needs of British capitalism and the capitalist class. Socialists have long memories; we can remember the assault on workers' pay and conditions by the last Labour government. Blair's New Labour, if elected, will be no different. A vote for Labour is a vote for capitalism and class exploitation.

As Marx pointed out in his criticism of the anarchist Proudhon You cannot have socialist distribution over capitalist production; you cannot have distribution according to need over the private monopoly of the means of production. Just as you cannot have freedom and choice with the existence of markets, buying and selling and all the other oppressive features of capitalism.

Socialists argue that working class problems arise out of capitalism and will last as long as the system does. Tory, Liberal, Labour, and coalition of all three, in government, have failed to solve them.

The Tories argue that Labour fails because it is economically incompetent and doctrinaire, pointing to the failure of nationalisation programmes, high taxation and government borrowing as evidence. Labour claims the Tories fail because they do not want to solve worker's problems. They claim they stand for social justice and equality whereas the Tories stand for inequality and greed. Labour excuses its own failure by blaming the Etonian Mafia in the City, Tory civil servants, foreign bankers and speculators.

These are all lame excuses. We say that all capitalist governments must fail because working class problems cannot be solved within

capitalism. You cannot simultaneously have the pursuit of profit and the satisfying of social needs, the two being mutually exclusive. With profit and the accumulation of capital as the driving force behind production and distribution, no government, however well meaning or efficient, can make capitalism work in the interests of the workers. Invariably governments side with the interests of the property owners if these are threatened by the workers.

The last Labour government certainly did. Troops were used to break strikes, the police tapped the phones of trade unionists; pay restraint was the law and strikes the reality. All this under a Labour government? Governments must run capitalism in the only possible way -- as a profit making system.

When workers and employers come into conflict, the government has to support the interests of the employers, the class whose ownership of the means of production and distribution allows them to live off incomes derived from rent, interest and profit, all in turn derived from the unpaid labour of the working class.

The Socialist Party of Great Britain is opposed to all the parties of capitalism. We have no interest in reforming British capitalism as it cannot be reformed to run in the workers' interests. The working class would be well advised to let the employers and their political agents deal with their own problems.

Instead, the workers should be concentrating their energies on solving their problems, and the solution to these problems is the abolition of capitalism and the establishment of Socialism, which requires conscious political action.

NO SOCIALISTS - NO SOCIALISM

It might be a truism that without a socialist majority there can be no Socialism. However only a majority understanding, desiring and actively participating in socialist political action can abolish capitalism and replace it with Socialism. So it is important for workers wanting to establish common ownership and democratic control over the means of producing and distributing social wealth, to join a socialist party whose sole aim and objective is Socialism. In Britain, such a party exists and it is The Socialist Party of Great Britain.

Membership is open to any person, male or female, black or white, who agrees with our Object and Declaration of Principles, and who can defend our case against political opponents. An active member can contribute their skills and enthusiasm in a number of ways. Here are just a few:

- Write letters to local or national newspapers putting our views.
- Attend political meetings where questions can be asked and / or contributions made on what the speaker has said.
- Organise socialist political activity in your area.
- Ring up local or national radio 'phone in' programmes.
- Write articles for **Socialist Studies** and our other publications

- Help distribute our literature, including to libraries, schools and other possible venues.

- Discuss and argue our case with friends and acquaintances.

- Speak and debate on behalf of the Party.

There is much to be done, and a world to be won. The more members the Party has, the more efficient and effective its propagation of socialist ideas throughout the working class.

The membership of the SPGB is composed of 'ordinary' members of the working class. We share the same social problems as our class, and we are convinced that it is only through socialist political activity that these problems can be solved.

We cannot establish Socialism alone. Only the working class in a majority can. If you agree with what we stand for, your support and active participation is needed. There can never be too many active socialists.

THE SOCIALIST PARTY OF GREAT BRITAIN
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has no connection with any other political party including the party using the same name based at 52 Clapham High St, London SW4 7UN. Persons wishing to send donations, subscriptions etc. should make their cheques payable to **SOCIALIST STUDIES** at the above address 71 Ashbourne Court, Woodside Park Rd.

MARX & UNEMPLOYMENT

In the last quarter of the 19th century, during what was known at the time as the Great Depression, and again in the depression between the two world wars, an increasing number of workers, and even some professional economists, were paying attention to the analysis of capitalism made by Karl Marx in his great work **Capital**. Marx showed that unemployment, and its rise to peak levels in the periodic trade depressions, arose out of the structure of capitalism itself, and is therefore inevitable while capitalism lasts. It was Marx who wrote that:

"The actual crises can only be depicted against the background of the actual movements of capitalist production."

(**Theories of Surplus Value** Volume 1, page 286) and that:

"The real barrier of capitalist production is capital itself"

(**Capital** Volume 3)

In Marx's view, capitalism is not a stable, but an unstable economic and political system. It has no interest in meeting the needs of all of society. Workers are only employed when it is profitable to do so. Conflict and contradiction, instability and social dislocation are its essential features. Crises, depressions, bankruptcy and unemployment are the product of the contradiction between the productive forces and the productive relations of capitalism.

Not only did Marx demonstrate how capitalist accumulation displaced the workforce through the introduction of labour saving machinery, he also gave a sound and valid account of the trade cycle. For Marx, an industrial crisis (that is the sudden interruption

of the period of a trading boom) is caused by capitalists who have sold commodities holding onto their money from sales, for whatever reason, delaying too long in spending the money to buy more commodities.

"No one can sell unless some one else purchases. But no one is forthwith bound to purchase, because he has just sold.

(**Capital** Volume 1, page 127, Kerr edition)

Marx explained what causes capitalists to act in this way by his theory of disproportion (**Capital** Volume 3, page 563 and Volume 2, pages 86-87). Disproportion of production in different branches of industry results in some industries over producing for their particular markets. Marx specifically rejected the idea that crises are caused by "low wages" (see **Capital** Volume 2 pages 475-6). Marx's explanation of trade cycles is the correct one because it fits the facts.

The interest in Marx was all but extinguished with the publication in 1936 of J. M. Keynes' **The General Theory of Employment, Interest and Money**. According to the new doctrine contained therein, it only needs the government to "manage" the economy in such a way as to maintain "demand", for full employment to be created and trade depressions to be eradicated. Keynes described Marx's **Capital** as:

".....an obsolete economic textbook which I know to be not only scientifically erroneous, but without interest or application for the modern world". (A Short View of Russia, Page 14, 1925)

This did not stop Keynes borrowing from Marx's **Capital**, particularly over the repudiation of "Say's Law" which mistakenly stated that every seller brings a buyer to the market.

Keynes' ideas were developed in the twenties and thirties to counter Marx and fill the theoretical and political vacuum in ruling class economic theory. The marginal utility ideas of Walras, Jevons and Clark (see **Socialist Studies No. 19**) had been discredited in the face of persistent unemployment. Despite means testing and reductions in the level of unemployment pay, the labour market would not clear. The capitalists and their politicians were also worried by the Bolsheviks' seizure of power in Russia, which they mistakenly believed to be Marxist.

Keynes' **General Theory** almost entirely destroyed the influence of Marx. A labour theory of value (and surplus value) as an analytical tool to understand the movement of capital through trade cycles was thought to be irrelevant. The trade unions all accepted that Keynes' theories equalled full employment.

Although Keynes dismissed Marx with contempt, he never set out a case against Marx's theories. Abuse, whether sophisticated or crude, is no substitute for argument and facts. This failure to refute Marx was to come back and haunt politicians with a vengeance. In 1976, the Labour leader of the time, James Callaghan, facing unemployment of 1.5 million and rising inflation, admitted that the game was up. Keynes did not equal full employment. At the Labour Conference in September 1976 Callaghan said this:

"We used to think that you could just spend your way out of recession, and increase employment by cutting taxes and boosting government spending. I tell you in all candour that the option no longer exists...."

(**The Rise & Fall of Monetarism**, D. Smith, 1987)

In reality, the Labour Party, despite promising full employment in their election manifestos, to date has always left political office with unemployment higher than when they first came to power.

Marx showed that anarchy of commodity production and exchange leads to the cycle of moderate expansion, boom, crisis and depression. Subsequent events have confirmed his analysis. However, just as there is no Keynesian device which will secure conditions of permanent boom, so there is no such thing as a permanent depression or the "collapse" of capitalism wished for by the capitalist "left".

The dilemma of all capitalist parties is that once the Keynesian belief that unemployment and depression can be eliminated under capitalism is refuted, then there is no alternative but to accept the Marxian view that to end unemployment means getting rid of capitalism.

In vain do they scramble around for an alternative. Some politicians urge a return to low inflation, privatisation, cuts in government spending and borrowing, low interest rates, a strong pound, lower wages and weak trade unions, as ways of stopping trade recessions and high unemployment, and so ensuring sustained economic growth. History shows such beliefs to be fatally flawed.

Below we compare the policies of the 1990's with those of 1875:

Policy 1990's

Year 1875

1) Low Inflation

No inflation for 75 years

2) Privatisation

Only Post Office state owned

Policy 1990's**Year 1875**

- | | |
|--|--|
| 3) End monopolies | Almost none |
| 4) Low Government spending & borrowing | Almost none |
| 5) Expand manufacture | Britain the workshop of the world |
| 6) Strong Pound | \$4.86 to the pound |
| 7) Weaken the unions | Unions small and weak and subject to much tougher laws |
| 8) Encouragement of free trade & competition | Britain had free trade policy and was highly competitive |
| 9) Tory Government | Disraeli, Tory leader in power |

With all these conditions plus the Gold Standard in operation there was still a depression in 1875. Here is Randolph Churchill at the time (1884):

"We are suffering from a depression of trade extending as far back as 1874, ten years of trade depressions, and the most hopeful either among our capitalists or our artisans can discover no signs of revival.... Turn your eyes where you will and survey any branch of British industry you like; you will find signs of mortal disease."

It was only the SPGB who insisted from the outset that Marx was right; that Keynes' doctrines were wrong; that full employment

cannot be maintained, that trade depressions cannot be eliminated; that the remedies proposed were only a disguised inflation and would do nothing to serve working class interests. The fear and unpredictability of unemployment in the 1990's testifies to our sound judgement. Politicians have no solution to unemployment and neither do the economists.

* * * * *

ENGELS -CAPITALISM'S STARVING MILLIONS

"Too little is produced, that is the cause of the whole thing. But *why* is too little produced? Not because the limits of production - even today and with present day means - are exhausted. No, but because the limits of production are determined not by the number of hungry bellies but by the number of *purses* able to buy and to pay. Bourgeois society does not and cannot wish to produce any more. The moneyless bellies, the labour which cannot be utilised *for profit* and therefore cannot buy, is left to the death rate. Let a sudden industrial boom such as is constantly occurring, make it possible for this labour to be employed with profit, then it will get money to spend, and the means of subsistence have never hitherto been lacking. This is the endless vicious circle in which the whole economic system revolves." (Letter to F.A. Lange, March 1865)

This was in 1865, now at the end of the 20th century, we still have the hungry bellies because of poverty, (hunger is not a problem of the rich). Deliberate under production of food with set aside schemes and quotas limiting the amounts of food farmers are allowed to produce are the reality. Over production would cause prices to fall, likewise profits.

ANTI DUHRING A SOCIALIST CLASSIC

HERR EUGEN DUHRING'S REVOLUTION IN SCIENCE, is better known as **ANTI-DUHRING**. It was first published as a series of articles by Engels in the Leipzig **Vorwaerts** in 1878 and later in the year in book form which was immediately banned in Germany. The book went on quite quickly to be reprinted many times. Over the years it has been recognised as a classic work of Socialist literature. In the words of Gustav Mayer:

"... the book introduced to the public of the seventies a difficult and hitherto unintelligible system in lucid and simple language. It was now that others first came to understand how Marx and Engels interpreted the course of history and the problems of their own day..."

(Friedrich Engels Gustav Mayer 1936 Page 224)

Herr Eugen Duhring was the blind tutor at Berlin University, and he was influential in the German Social Democratic Party, so much admired by Marx and Engels. In hindsight we can see that the German Social Democratic Party was to become openly a party of capitalist ideas and reforms, supporting as it did Germany's side in World War 1, and actually came to power in the 1920s. To Marx and Engels, it was not a capitalist party but a worker's party, which they tried, with some success, to influence.

Duhring was admired by the leaders of the party, among them Liebknecht, Babel, Bernstein and Most. Probably because they

did not understand the works of Marx and Engels they did not realise that to support Duhring was to oppose Marx, because his ideas were completely at variance with the Marxian outlook. **Das Kapital** had only appeared in 1867, and few people had the time or inclination to study it, so it was not surprising that even among the SDP's leaders there was an ignorance of Marx and Engels' works.

Both Marx and Engels were reluctant to leave their scientific studies to enter into a polemic. In the Preface to 1878 edition Engels tells us that it took a year to decide to neglect other work "*and get my teeth into this sour apple*". (Duhring) It fell to Engels, and what a magnificent job he did!

PHILOSOPHICAL OUTLOOK

Engels attacks Duhring for his idealist outlook. . His outlook "*is idealistic, makes things stand completely on their heads, and fashions the real world out of ideas, out of a schemata, schemes or categories existing somewhere before the world, from eternity- just like a Hegel*".

(**Anti Duhring**, page 44, Chapter 3, Martin Lawrence edition).

Marx and Engels looked at history and society from the materialist viewpoint, which basically is the view that humans get their picture of the world through their senses, and that the ideas which spring up in people's brains have been influenced by the perception of these senses, and that the material world affects profoundly the ideas in people's heads. They also realised that, as part of nature, human beings were also part of this external world, and living as we do in society, that our ideas can and do effect real changes in the external world if put into action. Marx and Engels also saw

through their studies that nothing was ever static, including society, that the universe was in a dynamic state

It was Marx and Engels who first drew attention to the fact that it was the economic relations of society (the way wealth is produced, distributed and owned) which were the basis upon which the political, legal, spiritual, artistic etc. factors were built. This materialist outlook is fundamentally different from that of the idealist,

MATERIALIST CONCEPTION OF HISTORY

Engels goes on in other parts of the book to show that morality, jurisprudence, political institutions, artistic and cultural ideas generally etc., all have their origins in the economic base of society, in line with the materialist conception of history developed by Marx and Engels. The section dealing particularly with the MCH is not part of a polemic with Dühring, he having been left far behind. This section is also included in **Socialism Utopian & Scientific** brought out slightly later as a separate pamphlet.

"The materialist conception of history starts from the principle that production, and with production, the exchange of its products, is the basis of every social order; that in every society which has appeared in history the distribution of the products, and with it the division of society into classes or estates, is determined by what is produced and how it is produced, and how the product is exchanged. According to this conception, the ultimate causes of all social changes and political revolutions are to be sought, not in the minds of men, in their increasing insight into eternal truth and justice, but in changes in the mode

of production and exchange; they are to be sought not in the philosophy but in the economics of the epoch concerned."

(Anti Duhring, page 300, Part 3, Chapter II)

Thus Engels states clearly and simply the outline of the MCH. He goes on to say that growing realisation of injustice, irrationalities and nonsense in the social sphere are signs that changes have been taking place quietly in the field of production and exchange which no longer fit in with the existing order. The development of the capitalist mode of production for example was incompatible with the feudal system with its local privileges, privileges of birth and the reciprocal personal ties. The up and coming capitalist class being held back by the old political system: *"shattered the feudal system, and on its ruins established the bourgeois social order, the realm of free competition, freedom of movement, equal rights for commodity owners, and all the other bourgeois glories. The capitalist mode of production could now develop freely."*

(Ibid. P. 300).

LABOUR THEORY OF VALUE

Marx's other great discovery, for which he alone takes credit, was that of the labour theory of value. Having looked at history and the development of society, and seeing how dynamic it was, Marx looked in particular at capitalist society, and saw the development of two great classes: the working class and the capitalist class. He describes the cell form of capitalist wealth as the commodity, a thing or service which has both a use value and a value at which it exchanges. The use value of a commodity is easy enough to understand, for example an umbrella is used to keep the rain off. The exchange value, or value, of a commodity according to Marx

is determined by the amount of socially necessary labour embodied in it, the greater amount of useful labour it contains the more value it has. Previous economists had been unable to work out how to explain profit. If equally valued commodities exchanged one with another, where did profit come from?

It was Marx who realised that what the worker sells to the capitalist is his *labour power*, and that this was the only commodity which can produce values greater than its own value. The worker sells labour power to the capitalist for a fixed time at a certain rate, and the capitalist if he is properly organised makes sure that the worker carries out useful labour. The value of the worker's commodity labour power is determined in the same way as the value of other commodities, by the amount of socially necessary labour needed to produce it and reproduce it, in other words the average social cost of the workers' food, clothing, housing, training etc. Whilst the worker gets the value of his labour power in the form of a wage or salary, he leaves behind him at work his labour embodied in the commodity.

In other words, in the commodity which contains useful labour there is an element of unpaid labour which belongs to the owner of the commodity- the capitalist. This commodity is then free to enter the market and be sold at a profit. This unpaid labour is the source of what Marx called surplus value. If the workers were paid the full value of the commodities they produce there would be no surplus value but of course this does not happen in reality. From this surplus value the capitalist class as a whole derive their rent, interest, profit, and taxation must come out of these, there being no other source. We might add that there is no iron law of wages that states that the worker always gets the value of his labour power, or that he can never get more than its value.

Unlike Marx's clear explanation of value and surplus value, Duhring is all at sea. As Engels shows, Duhring accuses Marx of having a "foggy conception" and goes on to state that *"all labour time is in its essence and without exception-and therefore without any need to take an average- absolutely equal in value"*. To which Engels responds: *"It is fortunate for Herr Duhring that fate did not make him a manufacturer, and thus preserved him from fixing the value of his products on the basis of this new rule, and thereby running inevitably into the arms of bankruptcy."*

Of course Marx and Engels fully understood that some labour power is more valuable than others precisely because it contains more socially necessary labour in its production and reproduction. On value Engels says: *"Value itself is nothing more than the expression of the socially necessary human labour materialised in an object. Labour can therefore have no value."* Labour is the measure of value in the same way that temperature is the measure of heat.

In about six chapters Engels goes through the basics of Marxian economics taking on Duhring on various points as he goes and completely exposing him. Obviously the book, whilst not without humour, has dated somewhat in its 100 plus years, but to date no-one has proved Marx and Engels wrong in any of their major theories.

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